



COMMISSION NEWS

ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

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SEDONA SECURITIES SALESMAN ACCUSED OF DEFRAUDING FRAIL CLIENT

PHOENIX – Last week, the Arizona Corporation Commission's Securities Division charged a 72-year-old Sedona securities salesman, Victor Stockbridge, with committing securities fraud against his client who owned a multimillion dollar investment portfolio.

The Commission's Securities Division alleges Stockbridge took advantage of the trust and failing health of one of his customers, a long-time Sedona resident who was unable to manage her own financial affairs. After inheriting an investment account worth \$6.5 million in 2000, the client entrusted her account to Stockbridge, who purportedly sold the entire portfolio and reinvested the funds in variable annuity contracts. Both actions generated over \$450,000 in commissions with over \$300,000 going directly to Stockbridge.

The Division also asserts that in January 2000 Stockbridge changed the beneficiary of his client's annuity contract so that he and his family would receive over \$600,000 upon the client's death. Stockbridge allegedly removed his family trust's name as beneficiary in August 2001 – only after the Securities Division launched an investigation into Stockbridge's activities.

Stockbridge was a salesman for SunAmerica Securities, Inc., and worked in the office of Smith Financial Services, Inc., of Sedona. Both companies discharged him in March 2002 after a review of his client's account statements revealed that the Stockbridge Trust was a designated beneficiary of one of the annuity contracts.

The Division is requesting that the Commission revoke Stockbridge's salesman license and order him to make full restitution to his victim. Stockbridge was served notice of the Commission action on January 3, 2003 and has until January 17 to request a hearing at which he could contest the allegations.

The Commission's Securities Division reminds the public that a salesman's registration status and disciplinary history are available by contacting the Division at 602-542-4242 or toll free at 1-877-811-3878. Information on the registration status of securities dealers and salespeople can also be found through the Division's website at www.ccsd.cc.state.az.us.

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